

## Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 CIAE-00 DODE-00 PM-04 H-01  
INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02  
SS-15 USIA-06 /063 W  
-----170541Z 033586 /14

R 151443Z MAY 77  
FM AMEMBASSY KUWAIT  
TO SECSTATE WASHDC 8022  
INFO AMCONSUL DHAHRAN  
AMEMBASSY JIDDA  
AMEMBASSY MANAMA  
COMIDEASTFOR

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E. O. 116TW: N/A  
TAGS: PFOR, KU  
SUBJECT: AMERICAN JOURNALISTS MEET KUWAITI AMIR

1. I WAS INVITED BY GOK MINISTRY OF INFORMATION TO JOIN  
A GROUP OF FOUR U.S. JOURNALISTS, WHO WERE ON AN ARAMCO-  
SPONSORED TOUR OF JIDDA AND THE GULF IN MEETING WITH AMIR  
SABAH AL-SALEM AL-SABAH MAY 14. OF EIGHT JOURNALISTS WHO  
HAD BEGUN TOUR IN SAUDI ARABIA, ONLY FOLLOWING FOUR CAME  
TO KUWAIT:  
STEVEN RATTNER, N.Y. TIMES; THOMAS LIPPMAN, WASHINGTON POST;  
PAUL BLUSTEIN, FORBES MAGAZINE; DENNIS MULLIN, U.S. NEWS  
AND WORLD REPORT.

2. AMIR WAS IN CHEERFUL AND EXPANSIVE MOOD AND, AFTER  
INITIAL GREETINGS, INVITED MINISTER OF HEALTH AL-AWADHI,  
WHO HAD JUST RETURNED FROM WHO CONFERENCE IN GENEVA, TO  
RENDER HIS REPORT AS DEMONSTRATION OF THE CURRENT ROLE WHICH  
THE AMIR PLAYS IN DIRECTING KUWAIT AFFAIRS.

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3. FOLLOWING HEALTH MINISTER'S REPORT AND ENSUING REPORT  
OF WIDE-RANGING HEALTH AND SOCIAL SERVICES PROVIDED BY KUWAIT  
TO ITS POPULATION, BOTH CITIZENS AND EXPATRIATES ALIKE,  
DISCUSSION TURNED TO OIL AND INFLATION PROBLEMS. AMIR  
STRESSED KUWAITI WILLINGNESS TO ACCEPT LOWER PRICES FOR  
OIL PROVIDED THAT COSTS FOR MANUFACTURED GOODS PURCHASED  
FROM WEST WAS ALSO PROPORTIONATELY REDUCED. HE ASKED

JOURNALISTS TO EXPLAIN REASONS FOR CONTINUING INFLATION AND RISING COST OF MANUFACTURES IN THE WEST. SINCE JOURNALISTS WERE UNABLE TO SUGGEST ANY REASON OTHER THAN RISING LABOR COSTS IN U.S., I INTERVENED TO REVIEW BRIEFLY VARIETY OF FACTORS INVOLVED INCLUDING, NATURALLY, IMPORTANT IMPACT OF MORE EXPENSIVE ENERGY. AFTER A BRIEF EXPANSION WE AGREED THAT WE HAD DIFFERENT POINTS OF VIEW ON THIS MATTER, A ALTHOUGH I TOOK OPPORTUNITY TO REMIND AMIR THAT HIGH COST OF GOODS IN KUWAIT WAS LINKED ALSO TO HEAVY FREIGHT CHARGES, INCLUDING DEMURRAGE, DUE TO PORT CONGESTION, AS WELL AS TOO HIGH PROFIT MARGINS KUWAITI MERCHANTS WERE ABLE TO OBTAIN IN THIS STATE WHERE MONEY IS AN ABUNDANT COMMODITY.

4. IN BRIEF DISCUSSION WITH THE JOURNALISTS JUST PRIOR TO AMIR'S MEETING, THEY INDICATED HOW IMPRESSED THEY WERE WITH EXTENSIVE BRIEFING PROVIDED THEM IN SAUDI ARABIA, WHERE THEY SAW AT LEAST SEVEN MINISTERS AND CROWN PRINCE FAHD. THEY ALSO NOTED OPPORTUNITIES FOR FILING STORIES PROVIDED BY COINCIDENCE OF ARAMCO PIPELINE FIRE AT ABQAIQ AND CLOSURE OF MIDEASTFOR BASE AT BAHRAIN. IN KUWAIT THEY SAW BESIDES AMIR, DEPUTY PRIME MINISTER/MINISTER OF INFORMATION SHAIKH JABER AL-ALI, MINISTER OF OIL KAZIMI, AND KUWAIT FUND CHAIRMAN ABDUL LATIF AL-HAMAD.

5. SESSION WITH AMIR WAS CLEARLY DESIGNED TO DEMONSTRATE THAT HE WAS IN GOOD HEALTH AND ACTIVE IN GOVERNMENT AFFAIRS. PURPOSE OF EXERCISE WAS READILY APPARENT TO JOURNALISTS, ONE OF WHOM, LIPPMAN, FILED ARTICLE WITH WASHINGTON POST POINTING UP THIS FACT. IN FACT, AMIR DID ENGAGE IN LIMITED OFFICIAL USE

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RATHER LIVELY BANTERING WITH HEALTH MINISTER AND OUR GROUP. HIS DISCUSSION OF INFLATIONARY PROBLEMS DEMONSTRATED THAT HIS INFORMATION ON THIS SUBJECT IS LESS THAN COMPLETE. BECAUSE OF THIS FACT, I AM THINKING OF TRYING TO ARRANGE AN INFORMAL MEETING WITH THE AMIR BEFORE HE DEPARTS ON VACATION IN JULY IN ORDER TO REVIEW THIS PROBLEM AND PROVIDE HIM WITH A MORE BALANCED APPRECIATION OF THE SITUATION. I WOULD BE GRATEFUL IF THE DEPARTMENT COULD PROVIDE SOME MATERIAL ON THE GENERAL PROBLEM OF INFLATION AND DRAW TO MY ATTENTION TO ANALYSES OF THIS PROBLEM WHICH HAVE ALREADY BEEN CIRCULATED. MAESTRONE

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## Message Attributes

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